



Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, MAY 12, 2000
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT REQUIRES RESTRUCTURING OF ACQUISITIONS BY ALLIED WASTE INDUSTRIES AND SUPERIOR SERVICES

Divestitures in Ohio and Wisconsin and Abandonment of Plans to Acquire Pennsylvania Landfill, Will Preserve Competition

WASHINGTON, D.C. -- The Department of Justice will require Allied Waste Industries and Superior Services Inc. to sell waste collection assets in Milwaukee, Wisconsin and Mansfield, Ohio, in order to proceed with their \$80 million exchange of waste collection and disposal assets. The Department also will require Superior to abandon its plan to acquire Allied's landfill in Leeper, Pennsylvania. The Department said that the deal as originally proposed would have resulted in higher prices for waste collection and disposal in these areas.

The Department's Antitrust Division filed a lawsuit today in U.S. District Court in Washington, D.C. to block three separate but related transactions between Allied and Superior. At the same time, the Department filed a proposed consent decree that, if approved by the court, would resolve the Department's competitive concerns and the lawsuit.

"Without restructuring this deal, consumers in parts of Ohio, Wisconsin, and Pennsylvania would have paid higher prices for waste collection and disposal," said Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division. "This resolution ensures that the benefits of competition -- lower prices and better service -- will be preserved."

According to the complaint, the three proposed acquisitions would have substantially lessened competition in the waste collection industry in Milwaukee, Wisconsin, and Mansfield, Ohio, and in the waste disposal industry in Leeper, Pennsylvania. Allied and Superior are two of

only three major competitors providing waste collection services in Milwaukee, and they are the only two significant waste collection firms in Mansfield. In addition, they are the only two operators of landfills in the Leeper area.

Under the proposed agreement, Superior must divest commercial waste collection operations and transfer stations in Milwaukee and Mansfield. In addition, Superior will abandon its purchase of Allied's landfill in Leeper.

Waste collection and disposal firms, like Allied and Superior, contract to collect municipal solid waste (trash and garbage) from residential and commercial customers. They transport the waste to disposal facilities such as landfills, incinerators, and transfer stations, which process and legally dispose of waste for a fee.

Allied, headquartered in Scottsdale, Arizona, is the second largest waste hauling and disposal company in the U.S., with sales of approximately \$6 billion in 1999.

Superior, which is based in Milwaukee, Wisconsin had domestic revenues of more than \$300 million in 1999.

As required by the Tunney Act, the proposed Final Judgment will be published in the Federal Register, along with the Department's competitive impact statement. Any person may submit written comments concerning the proposed decree during a 60-day comment period to J. Robert Kramer II, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 1401 H Street, NW, Suite 3000, Washington, D.C. 20530 (202-307-0924). At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may enter the Final Judgment upon finding that it serves the public interest.

###